

AMENDED IN ASSEMBLY AUGUST 2, 2010

AMENDED IN SENATE MAY 12, 2010

AMENDED IN SENATE APRIL 19, 2010

SENATE BILL

No. 1427

Introduced by Senator Price

February 19, 2010

An act to add Sections 2929.4 and 2929.45 to the Civil Code, relating to foreclosures.

LEGISLATIVE COUNSEL'S DIGEST

SB 1427, as amended, Price. Foreclosures: property maintenance.

Existing law, until January 1, 2013, requires a legal owner to maintain vacant residential property purchased at a foreclosure sale, or acquired by that owner through foreclosure under a mortgage or deed of trust. Existing law authorizes a governmental entity to impose civil fines and penalties for failure to maintain that property of up to \$1,000 per day for a violation.

This bill would require a governmental entity, prior to imposing a fine or penalty for failure to maintain a vacant property that is subject to a notice of default, that is purchased at a foreclosure sale, or that is acquired through foreclosure, to provide the owner of that property with a notice of the violation and an opportunity to correct the violation. This notice requirement would not apply if the governmental entity determines that a specific condition of the property threatens public health or safety. The bill would further provide that the costs of nuisance abatement measures taken by a governmental entity with regard to property that is subject to a notice of default, that is purchased at a foreclosure sale, or acquired through foreclosure, shall not exceed the

actual and reasonable costs of nuisance abatement. This bill would also ~~require prohibit~~ a governmental entity ~~to adopt a schedule of from imposing an assessment or lien for~~ the costs of nuisance abatement prior to the ~~collection~~ adoption of those costs *by the elected officials of that governmental entity at a public hearing.*

Vote: majority. Appropriation: no. Fiscal committee: no.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 2929.4 is added to the Civil Code, to
2 read:

3 2929.4. (a) Prior to imposing a fine or penalty for failure to
4 maintain a vacant property that is subject to a notice of default,
5 that is purchased at a foreclosure sale, or that is acquired through
6 foreclosure under a mortgage or deed of trust, a governmental
7 entity shall provide the owner of that property with a notice of the
8 violation and an opportunity to correct that violation.

9 (b) This section shall not apply if the governmental entity
10 determines that a specific condition of the property threatens public
11 health or safety.

12 SEC. 2. Section 2929.45 is added to the Civil Code, to read:

13 2929.45. (a) An assessment or lien to recover the costs of
14 nuisance abatement measures taken by a governmental entity with
15 regard to property that is subject to a notice of default, that is
16 purchased at a foreclosure sale, or that is acquired through
17 foreclosure under a mortgage or deed of trust, shall not exceed the
18 actual and reasonable costs of nuisance abatement.

19 (b) A governmental entity shall ~~adopt a schedule of costs for~~
20 ~~nuisance abatement measures described in subdivision (a) prior to~~
21 ~~collection of those costs.~~ *not impose an assessment or lien unless*
22 *the costs that constitute the assessment or lien have been adopted*
23 *by the elected officials of that governmental entity at a public*
24 *hearing.*